Financial Restructuring Authority for Weak Banks

5387. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FIN be pleased to state:

(a) whether Government propose to amend laws governing ban create a Financial Restructuring Authority that would have the pow supercede the boards of weak banks and facilitate their effective restruct

(b) if so, the details thereof;

(c) whether the rehabilitation of weak banks have been examined Verma panel; and

(d) if so, to what extent the efforts of Government are going to s weak banks in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FIN (SHRI BALASAHEB VIKHE PATIL): (a) and (b) In respect of any bank is considered to be weak or potentially weak, the statutes governing sector banks would be amended to provide for supersession of the B Directors on the basis of recommendation of the RBI and constituti Financial Restructuring Authority (FRA) for such a bank, comprising and professionals. The amendment would also enable FRA to exercise powers including all the powers of the Board of the bank.

(c) Yes, Sir.

(d) comprehensive restructuring is expected to help the weak b become viable and financially strong.

CVC clearance to high level appointments in Public Sector Ba

5388. SHRI BHAGATRAM MANHAR: Will the Minister of FIN be pleased to state:

(a) whether it is a fact that the high level appointments in the Sector Banks are cleared by the Central Vigilance Commission be appointments are made by the Cabinet Committee on Appointments;

(b) if so, the number of cases pending with the CVC in which Executives of the public sector banks are involved and against whom charges of financial and administrative bungling and sexual abuse ha levelled; and

(c) the details in this regard and by when the findings of the C likely to be made known to Government and put on the CVC Website